



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
8725 JOHN J. KINGMAN ROAD, SUITE 2533
FORT BELVOIR, VIRGINIA 22060-6221

J-33
IN REPLY REFER TO PROCLTR 03-06

APR - 7 2003

MEMORANDUM FOR PROCLTR DISTRIBUTION LIST

SUBJECT: Revised Defense Logistics Acquisition Directive (DLAD) Guidance on the Acquisition Review and Approval Process (7.102-90, 7.104-90, 7.104-91, 90.1103, and 90.1501)

This PROCLTR provides revised DLAD coverage to clarify guidance issued by PROCLTR 03-01, subject: Revised DLAD Guidance on the Acquisition Review and Approval Process (7.104, 7.104-90, 7.104-91, 90.1103, and 90.15).

Guidance at DLAD 7.102-90 is revised to incorporate threshold levels for acquisition plan review by the Chief of the Contracting Office prior to solicitation release, allows discretion in determining the format of acquisition plans based upon the complexity of the proposed acquisition, and requires that all elements contained in the Advance Acquisition Planning Template be considered and included, when applicable, in all acquisition plans. DLAD 7.104-90(d) is revised to require the use of the Advance Acquisition Planning Template when requesting a waiver to the Integrated Acquisition Review Board (I-ARB) approval. DLAD 7.104-91(a) is revised to require inclusion of orders under a Federal Supply Schedule that meet the threshold, to clarify that templates are only required for proposed actions requiring review/approval at DLA headquarters, and to clarify that individual orders do not require a separate acquisition plan or template if the cumulative total value of the proposed action was included in the originally approved acquisition plan or template. DLAD 7.104-91(c) has been deleted. DLAD 90.1103 is revised to clarify that only templates requiring DLA headquarters review need be approved by the Chief of the Contracting Office and to provide an acceptable means to verify local coordination on electronic submission of the Advance Acquisition Planning Template. DLAD 90.1501(a) is revised to clarify the correct threshold for I-ARB review.

This PROCLTR is effective immediately and expires upon incorporation of the attached coverage into the DLAD. The points of contact for this PROCLTR are Ms. Nancy Heimbaugh, J-3311, (703) 767-3755 (DSN 427), or via e-mail at nancy.heimbaugh@dla.mil or Ms. Catherine Heretick, J-3312, (703) 767-1361 (DSN 427), or e-mail at catherine.heretick@dla.mil.


CLAUDIA S. KNOTT
Executive Director
Acquisition, Technical, and Supply

Attachment



ACQUISITION PLANNING

SUBPART 7.1 - ACQUISITION PLANS

- 7.102 Policy.**
- 7.103 Agency-head responsibilities.
- 7.104 General procedures.
- 7.104-90 Integrated Acquisition Review Board (I-ARB)**
- 7.104-91 Advance Acquisition Planning Template**
- 7.105 Contents of written acquisition plans.
- 7.107 Additional requirements for acquisitions involving bundling.

SUBPART 7.1 - ACQUISITION PLANS

7.102 Policy.

(90) Written acquisition plans are required for all acquisitions expected to exceed the simplified acquisition threshold. This does not apply to orders against contracts when the acquisition plan is adequate to cover all anticipated orders. Acquisition plans shall be prepared, **as applicable**, in accordance with FAR 7.105, DFARS 207.105, DLAD 90.1101, and 90.1102, and be approved at a level above the buyer as established by the Chief of the Contracting Office **except that acquisition plans will be reviewed and approved by the Chief of the Contracting Office prior to solicitation for all actions that are not long term with a value equal to or greater than \$2 million and for all long term actions with a cumulative value equal to or greater than \$10 million. Approval prior to solicitation can be waived per local guidance for urgent requirements.** The format at DLAD 90.1102 may be modified to suit the needs of the contracting office. A standard DLA-wide form is not prescribed in order to permit use of local forms or formats. **However, as a minimum, the subject areas identified in the Advance Acquisition Planning Template (see 90.1103) shall be considered and addressed in the acquisition plan when applicable.**

(91) Market surveys (see FAR 7.102) and market research (see FAR and DLAD Part 10) shall be performed consistent with any local operating procedures.

(92) The acquisition plan shall accompany the justification for other than full and open competition (see FAR 6.301, 6.304, and DLAD 6.304) when it is forwarded to the Activity Competition Advocate. The Activity Competition Advocate shall also be provided a copy of the acquisition plan for acquisitions where there is no history of receipt of more than one offer and price competition is not expected to be received on the acquisition.

(93) The plan shall identify anticipated costs, performance metrics, and the points of contact for monitoring contract performance.

(94) A Business Case Analysis (BCA) will be developed in accordance with the guidelines set forth in J-38's draft One Book procedures entitled, "Initiative Management Process." Approval thresholds for acquisition-related BCAs are addressed in DLAD 7.104-90 and Subpart 90.15.

7.104-90 Integrated Acquisition Review Board (I-ARB)

(a) The I-ARB will review all proposed performance based logistics (PBL) acquisitions (see 90.1501, Appendix A for definitions), proposed service acquisitions, and supporting BCAs, if appropriate, in accordance with the thresholds below. Additionally, all bundled requirements (see DLAD 7.107) resulting in a proposed acquisition of more than \$1 million must be approved by the I-ARB.

Performance Based Logistics (PBL) Acquisitions

<i>\$ Threshold (1)</i>	<i>Other Criteria</i>	<i>Review/Coordinate</i>	<i>Acquisition & BCA Approval Level</i>
<i>≥ \$5M - \$20M</i>		<i>Field Activity Level</i>	<i>Chief of the Contracting Office</i>
<i>> \$20 - \$50M</i>		<i>Field Activity Level</i>	<i>Head of Contracting Activity or designee (2)</i>
<i>> \$50M</i>		<i>HQ DLA/J-3312</i>	<i>I-ARB</i>
<i>All</i>	<i>DLA/Military Service Partnerships</i>	<i>HQ DLA/J-3312</i>	<i>I-ARB</i>

Acquisition of Services

<i>\$ Threshold (1)</i>	<i>Other Criteria</i>	<i>Review/Coordinate</i>	<i>Acquisition & BCA Approval Level</i>
<i>≥ \$100K - \$5M</i>		<i>Field Activity Level (includes DSS)</i>	<i>No lower than one level above contracting officer</i>
<i>> \$5M - \$20M</i>		<i>Field Activity Level (includes DSS)</i>	<i>Chief of the Contracting Office</i>
<i>> \$20M - \$50M</i>	<i>DESC, DSCP, DSCC, DSCR</i>	<i>Field Activity Level</i>	<i>Head of Contracting Activity or designee (2)</i>
<i>> \$20M - \$50M</i>	<i>All Other Activities</i>	<i>HQ DLA/J-3312</i>	<i>Streamlined I-ARB (3)</i>
<i>> \$50M</i>		<i>HQ DLA/J-3312</i>	<i>I-ARB or streamlined I-ARB</i>
<i>≥ \$0.5B - \$2B</i>		<i>HQ DLA/J-3312</i>	<i>Component Acquisition Executive or designee (4)</i>
<i>> \$2B</i>		<i>HQ DLA/J-3312</i>	<i>USD (AT&L) (4)</i>

Note (1) Total planned dollar value of base period and option periods.

Note (2) Delegable to a level above the Chief of the Contracting Office.

Note (3) As specified by the SPE

Note (4) OSD guidance per USD memorandum, 31 May 2002, "Acquisition of Services"

(b) I-ARB membership normally includes the executives/representatives identified below. The DLA Senior Procurement Executive (SPE) may determine additional members on a case-by-case basis. I-ARB decisions are considered corporate decisions. Representatives are expected to be empowered by their organizations during the I-ARB sessions. Acquisition reviews shall focus on key principles to include taking an enterprise-wide approach; assessment of established metrics and expected outcomes; and that acquisitions are

established through business arrangements that are in the best interest of DLA and DoD. See DLAD 90.1501 for detailed guidance on PBL acquisitions.

Chair - SPE (Executive Director, Acquisition, Technical, and Supply Directorate)
Members - J-81 (Deputy Comptroller, Budget and Program Integration Operations)*
J-6 (Deputy Director, Information Operations)*
J-34 (Executive Director, Readiness and Customer Support)
J-37 (Executive Director, Distribution and Reutilization Policy)*
J-38 (Executive Director, Business Management)*
ICPs (Deputy Commanders or designated representatives)
DDC (Deputy Commander or designated representative)
Advisors - DG (Office of General Counsel)
DB (Small & Disadvantaged Business Utilization Office)
* Program Budget Resource Group Co-Chairs

(c) Unless otherwise determined by the SPE, a streamlined review board, consisting of designated I-ARB members, will convene to approve services acquisitions.

(d) Waiver of I-ARB review and approval requirements may be requested by the Chief of the Contracting Office, under exceptional circumstances. The request for waiver, **including an Advance Acquisition Planning Template**, shall be submitted to the DLA Supplier Operations Branch (J-3312) and must include rationale and justification for the waiver. Waivers are granted by the SPE on a case-by-case basis.

(e) When an I-ARB review is required, the Chief of the Contracting Office must submit both hard and electronic copies of the following documents to J-3312 for evaluation: Acquisition plans (see 90.1101) reviewed and coordinated by appropriate field functional elements; source selection plan; incentive plan; justification and approval, as applicable; the solicitation; and an abbreviated (rough order of magnitude (ROM)) business case analysis, if appropriate. **An Advance Acquisition Planning Template is not required for proposed acquisitions submitted for I-ARB review (i.e., PBL and Services Acquisitions).** Upon receipt of the documentation previously listed, J-3312 will schedule an I-ARB meeting. Additionally, the contracting activity must present the I-ARB with a formal briefing. Additional requirements for specified milestone reviews for PBL acquisitions are addressed in 90.1501.

(f) The I-ARB retains the authority to review any special interest or high-risk acquisition.

(g) The I-ARB will advise the contracting activity if the proposed acquisition has unconditional approval, conditional approval, or disapproval. Unconditional and conditional approval authorizes the contracting activity to proceed with the acquisition. An interim decision will be provided at the conclusion of the formal briefing. Final I-ARB decisions will be transmitted by letter to the commander of the contracting activity.

* * *

7.104-91 Advance Acquisition Planning Template.

(a) An Advance Acquisition Planning Template (formerly the Advance Notice of Initiative for Potential APEC Review) (see 90.1103) should be completed for all proposed acquisitions, **including orders placed under Federal Supply Schedules, requiring review/approval at DLA HQ** that meet the criteria and the dollar thresholds identified below. **Templates** must be electronically submitted to J-3312 for review and approval once the contracting activity has sufficient information to complete the template. Excluded from this requirement are those acquisitions identified in paragraph 7.104-90. Once J-3312 reviews the template, the contracting activity will be advised whether they have authority to proceed with the acquisition. All templates **submitted to DLA HQ for review** must be coordinated with the contracting activity's Director of Small Business and Office of Counsel and be approved by the Chief of the Contracting Office. **(Orders under proposed acquisitions for which the maximum anticipated value was included in a previously submitted template with a single all inclusive acquisition plan need not be submitted for approval separately.)**

Contracting Activity	Total Dollar Value (Base Period and Option periods)	Other Criteria
DSCC, DSCP, DSCR	> \$ 50 million	
DESC*	> \$100 million	
All Other Activities	> \$5 million	
All Activities	\$1 million or less (See 7.104.90 for bundled acquisitions above \$1M)	All bundled acquisitions

* Applies only to proposed acquisitions of natural gas.

(b) J-3312 will advise the contracting activity within 15 calendar days after receipt of the Advance Acquisition Planning Template if the proposed acquisition is approved or disapproved, or whether an I-ARB is required. Once the proposed acquisition is approved, no significant changes shall be made without prior J-3312 approval.

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PART 90

SUPPLEMENTAL PROCEDURES

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SUBPART 90.11 - ACQUISITION PLANNING

- 90.1101 Contents of written acquisition plans.
- 90.1102 An illustrative acquisition plan format.
- 90.1103 Advance Acquisition Planning Template.**

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SUBPART 90.15 - Performance Based Logistics (PBL) Acquisition Process

- 90.1501 Requirement**
- 90.1502 Acquisition Process and Milestone Review and Approvals
- 90.1503 Integrated Acquisition Review Board

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90.1103 Advance Acquisition Planning Template.

Proposed acquisitions meeting the criteria/thresholds at 7.104-91(a) must be summarized using the Advance Acquisition Planning Template below and submitted electronically to the DLA Supplier Operations Branch (J-3312) for review. Responses to this submission will be provided within 15 calendar days after receipt.

Template questions that do not apply to your activity should be answered as not applicable (N/A). If further detail is required, provide it at the bottom of the template.

All templates **requiring review/approval at DLA HQ** must be approved by the Chief of the Contracting Office and coordinated with the contracting activity's Associate Director of Small Business and Office of Counsel. **(The local coordination and approval will be documented by filling in the associated names and dates corresponding to the coordination and approval at the bottom of the template).**

Advance Acquisition Planning Template

Contracting Activity _____ Office of Primary Responsibility _____
Date _____

Name PM/Contracting Officer: _____ Telephone: _____
FAX: _____ Email: _____

Solicitation Number / Contract / Initiative
Name: _____

Category ("X" the proper category): Prime Vendor____; Virtual Prime Vendor____; DVD____; Corporate Contract____; Strategic Supplier Alliance____; Electronic Catalog____; Long Term Contract____; Multi-Year Contract ____; Other____.

1. Describe the initiative, primary customers, and what is being contracted for:

2. Reason for Initiative:

3. Identify any unique aspects of this initiative:

4. Contract Type: _____ Anticipated Award Date: (MM/YY) _____ Sol
Issuance Date: _____

5. Dollar value if other than LTC: _____. For LTC, complete chart below:

LTC Contract	Base Period	Option Period(s)	Total \$ Value
Length			
Estimated Dollar Value			
Guaranteed Minimum Dollar Value			

6. Competition ("X" one): Full & Open ____; Other than full & open (cite authority) _____.

7. Describe the performance metrics: what are they; how will they be measured; how often will they be measured; who will measure them; and what is the expected outcome.

8. Has your activity previously purchased the item(s): Yes ___ No ___

9. Acquisition will be conducted using FAR Part 12: Yes ___ No ___

10. Basis for Commercial/Non-commercial determination: _____

11. Number of NSNs/Part Numbered (PN) Items: _____

12. Are NSNs/PNs: Competitive _____ Non-competitive _____ Some of each _____

13. Number of items previously provided by small business: _____

14. Nomenclature & Quantity:

15. Delivery Requirements:

16. Will any supplies be delivered to stock? Yes _____ No _____

17. Describe market surveys and/or market research conducted and the results:

18. Planned evaluation strategy:

19. What are the logistical benefits of this initiative? (e.g., reduced ALT/PLT; reduced inventory; reduced customer wait time (CWT); increased supply availability; improved readiness; added contractor services such as forecasting, inventory management, quality; reduced manual PRs (touch labor)

20. Describe planned efforts to reduce PLT (e.g., using common-process parts groupings, arranging for access to long-lead time materials/components, setting PLT reduction goals, etc.)

21. In addition to publicizing the acquisition to the general public (e.g., via FebBizOpps, Internet notice, etc.), describe planned efforts to solicit responses from HUBZones, women-owned small businesses, small disadvantaged businesses, and service-disabled veteran-owned business concerns.

22. Was any portion of this requirement considered for placement in the 8(a) program? If not, why not?

23. Was any portion of this requirement set aside for small businesses?

24. If no portion is set aside for small business, why not?

25. Describe incentive strategies that will be used to evaluate offers or that encourage prime contractors to establish subcontracting opportunities with small businesses:

26. Describe how surge and sustainment (S&S) will be addressed.

27. Provide a statement that addresses each of the following concerns, if applicable. If information is not yet available, identify whether these issues will be addressed in the acquisition plan:

a. Potential workload/financial impact at other ICPs, and affected field activities such as DDC.

b. Contract management strategy and workload impact:

c. Quality/engineering/technical issues:

d. Effect on all military services, in addition to the primary customer:

Contracting Activity:

Coordination: _____
Office of Counsel

Coordination: _____
Director of Small Business

Date

Approved: _____
Chief of the Contracting Office

Date

Approved: Yes _____ No _____
Date: _____

HQ DLA/J-3312: _____

* * * *

Subpart 90.15 - PERFORMANCE BASED LOGISTICS (PBL) ACQUISITION PROCESS

90.1501 Requirement

(a) The Defense Logistics Agency (DLA) Senior Procurement Executive (SPE) has established a structured approach to serve as a model for managing and executing performance based, long term logistical support acquisitions. This process will be implemented by each Inventory Control Point (ICP) for all acquisitions which meet the definition of a Performance Based Logistics (PBL) acquisition (See Appendix A). **Those acquisitions requiring review and coordination at headquarters (see 90.1503(b) (i) will be reviewed and approved by the DLA Integrated Acquisition Review Board (I-ARB), chaired by the SPE with representation from J-34 (Readiness and Customer Support Directorate), J-37 (Distribution and Reutilization Policy Directorate), J-38 (Business Management Directorate), J-81 (Deputy Comptroller, Budget and Program Integration Operations), J-6 (Deputy Director, Information Operations/Chief Technology Officer), the ICPs, and the Defense Distribution Center (DDC). Representatives from the DLA Office of General Counsel and Small & Disadvantaged Business Utilization Office are advisors to the I-ARB. The I-ARB has the option to continue the acquisition, modify the strategy, terminate the process, or determine how to proceed into the next phase. The head of contracting activity or field activity Chief of Contracting Office shall establish and chair a similar review board based upon the approval thresholds in 90.1503(b) (i).**

March 24, 2003

MEMORANDUM FOR RECORD

SUBJECT: Synopsis of revisions to DLAD guidance issued in PROCLTR 03-01

DLAD 7.102(90) –

1. In that the references for completing an acquisition plan covered all types to include weapon system buys, the words “as applicable” were added for clarity.
2. Also, in order to insure that the contracting office chiefs are aware of actions taking place at their location, a minimum threshold for their review of proposed acquisitions at the pre-solicitation phase was added. There was discussion as to whether the minimum level should be \$2M or \$5M. The lower threshold was included in that it can be raised if it becomes unreasonable for the office chiefs to review that number of actions.
3. In order to insure that acquisition plans are a useful tool for review and approval authorities, the requirement to consider all of the elements from the Advance Acquisition Planning Template for inclusion, when applicable, in the acquisition plan was added.

DLAD 7.104-90(d) – The requirement to use the Template when requesting a waiver to the I-ARB was added to assist in evaluating the request for waiver.

DLAD 7.104-90(e) – It was clarified that a Template is not required for acquisitions submitted to the I-ARB.

DLAD 7.104-91(a) –

1. Reference to Federal Supply Schedules was included to insure templates are included for order since some orders are very large (like BSM).
2. Clarification that templates are only required for actions submitted to HQ for review was added. Field comments indicated that requiring templates for local review was not valuable to them and constituted additional work with no benefit.
3. Clarification was added to clearly state that templates and acquisition plans should be in sync. If a previously approved template included the maximum potential as to orders to be placed, then there is no need to submit each order as they occur.

DLAD 7.104-91(c) – This paragraph deleted as no longer applicable based upon other changes/clarifications made.

DLAD 90.1103 – Clarification was added to specify that only templates requiring HQ review need be approved by the chief of the contracting office. Also, a way to verify that local coordination and approval was complete was specified.

DLAD 90.1501(a) - Clarification was added to insure the reference was to the correct threshold level.

(J. Rouse/J-3311/767-1447)